

**CITY OF GUSTAVUS, ALASKA
RESOLUTION CY19-11**

**A RESOLUTION BY THE CITY OF GUSTAVUS UPDATING THE BENEFITS POLICY AND
PROCEDURE FOR ELIGIBLE REGULAR POSITION EMPLOYEES**

WHEREAS, the City of Gustavus last updated its employee benefits policy and procedure effective November 19, 2018; and

WHEREAS, the City of Gustavus values its employees and intends to compensate employees competitively within our region; and

WHEREAS, the City of Gustavus wishes to provide adequate health insurance for its qualifying employees for their health and financial security; and

WHEREAS, formal action is needed to further clarify procedures under Health Insurance.

NOW THEREFORE, BE IT RESOLVED that effective May 13, 2019, the City of Gustavus updates its Employee Benefits Policy and Procedure for Eligible Regular Position Employees as attached to:

Clarify group health plan coverage and health insurance stipends during employee furloughs.

PASSED and **APPROVED** by the Gustavus City Council this 13th day of May, 2019.



Calvin Casipit, Mayor



Attest: Karen Platt, City Clerk

CITY OF GUSTAVUS

POLICIES AND PROCEDURES

TITLE: CITY OF GUSTAVUS BENEFITS POLICY AND PROCEDURE FOR ELIGIBLE REGULAR POSITION EMPLOYEES EFFECTIVE NOVEMBER 20, 2018

BACKGROUND:

By Ordinance FY2012-13 adopted April 12, 2012, the Gustavus City Council approved a major revision to Title 3, Personnel. Revised Title 3 provides that it is the policy of the City of Gustavus to establish and amend, from time to time, by resolution, a written benefits policy, which describes various non-wage compensations that the City provides to employees in addition to wages or salaries. [CoG 3.05.01]

Consistent with the provisions of revised Title 3, the City Council adopted by Resolution 2018-01 this "City of Gustavus Benefits Policy," which applies to all eligible Regular Position employees. This updated policy, effective, replaces all previous City of Gustavus benefits and leave policies. [CoG 3.04.01(b) (1)]

I. Health Insurance

The City of Gustavus offers a group health insurance plan to all Regular Exempt and Non-Exempt Position employees. This self-only plan (no spouse or dependent coverage) is offered to all eligible employees, and the City may only exempt those eligible employees who provide proof that they have health insurance offered by other means.

For those qualified employees opting in to the City's group health plan prior to June 15, 2018, the City will pay 100% of the premiums until the monthly premium amount increases to \$700. Once the \$700 premium amount is exceeded, the employee will contribute to the premium until the City/employee premium contribution ratio reaches 80%/20%, respectively. This 80%/20% ratio will then be maintained as premiums rise or decrease.

Any qualified employees opting in to the City's plan after June 15, 2018, will enter at the 80%/20% contribution ratio.

For those employees who do not choose to elect the group health insurance plan offered by the City, a \$200.00 monthly stipend is offered to offset the additional cost of that coverage provided from outside sources. This stipend is similar to a monthly bonus in that it is subject to payroll taxes, is reported as income, does not count toward the accrual of paid time off (PTO), and is not included in the base wages considered for the City match in the Retirement Savings Plan. The stipend is included during the regularly scheduled payroll.

POLICY:

To qualify for participation in this program, the employee must be (1) a Regular Exempt or Non-Exempt Position employee who (2) is no longer in their probationary period. For employees that elect not to participate in the health insurance program offered by the City, evidence that they are insured via other means is required.

PROCEDURE:

- (A) For those employees NOT selecting City provided insurance:
On a monthly basis, the City Treasurer will add the health insurance stipend to the employee's paycheck in an amount of \$200 gross wages for all Regular Exempt and non-Exempt employees. All stipend amounts are subject to tax reporting and withholding, and the employee will be paid a net amount. If an employee is on unpaid leave during the month and drops below an average of 20 hours worked per week for the month, the stipend will be prorated based on the percentage of the actual hours worked divided by 20 hours per week for the month.

Employees declining enrollment because of other health care coverage may in the future enroll if they have involuntarily lost their other coverage and an enrollment application is received by the insurance company within 60 days after their other coverage ends. See the group insurance documentation for details.

- (B) For those employees enrolling in City provided insurance:
Initial enrollment occurred by May 15, 2018 for coverage beginning June 1, 2018. Thereafter, employees may enroll during the group health plan renewal period each spring with coverage beginning June 1. For new employees, enrollment is effective the first of the month following 60 days after the hire date or after the probationary period ends, subject to the insurance company policies. Prior to June 1 each year, the employee may enroll in the city insurance program, or decline enrollment with proof of other coverage, for the following 12 months. Employees may not cancel insurance or sign up for insurance except during this open enrollment period unless they meet the exceptions provided by the insurance company. See the group insurance documentation for details.

If an employee is on unpaid leave during the month and drops below an average of 20 hours worked per week, the city-paid portion of the premium will be prorated based on the percentage of the actual hours worked divided by 20 hours per week for the month with the employee responsible for paying the city for the remainder of the premium before their next paycheck is issued. For employees with an unpaid furlough, the employee may either pay the full premium cost in advance to the city each month for the months not working or may cancel their enrollment and re-enroll once they begin working again. For employees with an assigned work schedule of less than 20 hours per week for the month (e.g. no unpaid leave is being taken), the city-paid portion will remain at 80%.

II. Deferred Compensation Program, a 457(b) Retirement Savings Plan

The City participates in a 457(b)-deferred compensation program with Lincoln Financial Group. A 457(b) plan is a type of tax-advantaged deferred-compensation retirement plan that is available to state or local governments and their agencies. The employer provides the plan and the employee defers compensation into it on a pre-tax basis. Participation is voluntary. The participant contributes a flat amount or percentage of his/her choice each month, which is withdrawn from the monthly paycheck. The City will match the employee's monthly contribution up to a maximum of 7% of the employee's straight time pay, overtime pay, and paid time off pay for the month. Health insurance stipends are not included in the percentage matched. Regular Position employees may contact the City Clerk or Treasurer for more information. This benefit commences upon satisfactory completion of the probationary period.

III. Paid Holidays [CoG 3.05.02]

The City of Gustavus observes the following nine holidays:

1. New Year's Day (January 1)
2. President's Day (third Monday in February)
3. Memorial Day (last Monday in May)
4. Independence Day (July 4)
5. Labor Day (first Monday in September)
6. Veterans Day (November 11)
7. Thanksgiving (fourth Thursday in November)
8. Day after Thanksgiving
9. Christmas (December 25)

- The City will grant an eight-hour day of paid holiday time to all full-time Regular Position employees or a pro-rated amount based on the employee's approved base hours.

Hours of Holiday Pay	Work Schedule
8	full-time employee
7	87.5% (35 hours/week)
6	75% (30 hours/week)
4	50% (20 hours/week)

- Holiday pay will be calculated based on the employee's straight-time pay rate as of the date of the holiday. Employees will not receive additional compensation when a recognized holiday falls on a day an employee is on Paid Time Off. Employees will not receive compensation for a holiday that occurs on a day that the employee is on an unpaid leave of absence.
- This benefit will commence upon satisfactory completion of the probationary period.
- See Gustavus Municipal Code 3.05.02 for the application of the policy to Monday through Friday and Tuesday through Saturday work weeks.

IV. Paid Time Off (PTO)

The City of Gustavus recognizes that employees have diverse needs for time off from work. PTO will cover all forms of personal, vacation, and sick leave. This benefit will be granted to all Regular Position employees in proportion to the hours worked each month.

Paid Time Off is a provision for time taken off from an employee's regularly scheduled work hours. PTO may not be applied to days and hours the employee is not scheduled to work. With the exception of the permitted 120-hour carry-over of unused PTO hours at the start of a new fiscal year, PTO not taken during regularly scheduled work hours will be forfeited. Unused accrued PTO is cashed out only when an employee terminates.

- An employee's annual PTO benefit accrues in accordance with employment longevity as shown in the table below. Accrual rates for a new longevity category begin on the first day of the month of the employment anniversary.

- Annual PTO benefit accruals begin July 1 of each year and end June 30 of each year.
- A maximum of 120 hours of PTO may be carried over into the next fiscal year.
- Accrued PTO hours beyond 120 at the end of the fiscal year will be forfeited.
- For new hires, PTO will accrue retroactive to the date of hire if and when the employee satisfactorily completes the probationary period.
- An employee must receive approval from his/her supervisor for planned PTO. Approval of PTO is contingent upon the needs of the department/facility. In cases of emergency or illness, an employee must let his/her supervisor know about the absence as soon as possible.
- Upon termination an employee shall be paid the value at the time of cash-out of remaining PTO.
- PTO must be used in full before an employee may request unpaid leave.

Longevity Categories

PTO is accrued on an hourly basis and is credited on the monthly pay check in proportion to the actual hours paid that month. Accruals are based on longevity, that is, the number of years employed in a Regular Position with the City of Gustavus. The following table depicts Annual PTO accrual for a fulltime Regular Position, 2,080 hours/year.

Longevity (calculated from the employee's first day of work, regardless of FTE)	Annual PTO Accrual, Fulltime equivalent (FTE)	Accrual Rate of PTO hours per actual hours paid*
Less than two (2) years	80 hours	0.03833
Two (2) through five (5) years	120 hours	0.05778
Six (6) or greater years	160 hours	0.07694

*"Actual hours paid" means the total paid hours, including holiday hours and used PTO hours, but not including bonuses, stipends, or pay adjustments when correcting a payroll error.

Formula

- The same accrual rate works for any employee in a given Longevity Category. Accrual rate = annual PTO accrual allotment divided by 2080, then rounded to what the QuickBooks payroll software allows.

- Accrued PTO hours on a monthly (or any) pay check for hourly employees = (number of hours paid) x (accrual rate)
- Accrued PTO hours on a monthly pay check for salaried employees = (annual hours of PTO accrual from the table above)/12 months (prorated if unpaid leave is used that month)

Jury Duty / Jury Leave

In order that city employees may fulfill their civic responsibility as jurors or subpoenaed witnesses, all regular employees are granted leave of absence with pay for these purposes. It is the responsibility of the employee to keep her/his supervisor or department head informed of the anticipated time to be spent away from the job for this purpose. Employees will be compensated for jury duty that occurs on their regularly scheduled work day in the amount listed in their base hours agreement.

Any pay received by regular employees from a court system must be promptly submitted by the employee to the city to offset part of the cost of such absences. Temporary employees receive leave without pay and may retain the payment from the court.

Hours of Jury Duty/Leave Pay	Work Schedule
8	full-time employee
7	87.5% (35 hours/week)
6	75% (30 hours/week)
4	50% (20 hours/week)

V. Compensatory Time Off

The City of Gustavus does not offer Compensatory Time Off.

VI. Flexible Work Schedule

The City of Gustavus recognizes that alternative work schedules can foster a positive work/life balance. To this end, regular position employees may be allowed by their supervisor to have a flexible work schedule. Hours worked by each regular position employee may be flexed during the work month as approved by their supervisor, provided core business hours are covered and job duties are being completed. The Mayor and/or City Administrator may designate core hours for each employee. For non-exempt employees, hours worked per week may not exceed 40 hours without prior approval for overtime (Municipal Code 3.06.020).

Signed _____ Mayor of the City of Gustavus _____ Date _____